

MANAGEMENT OF PORT OPERATIONS

Gheorghe BĂȘANU

The Bucharest Academy of Economic Studies, Romania

Georgiana NUKINA

Hyperion University Bucharest, Romania

ABSTRACT

The Management of port operation requires the proper and efficient use of port facility, equipment for cargo handling, berth facilities, waterways and roads. It also entails the use of effective communications system, storage facilities, and dockworkers. The whole activities mentioned above form the bulk of port operations. The aspiration of port operator is to get cargo through the gateway of ports as fast as possible on to other modes of transport (rail or road) with a minimal cost to them and to the cargo owner.

A web definition of management states it is the effective utilization and coordination of resources such as capital, plant, materials, and labour to achieve defined objectives with maximum efficiency.

Like every facet of business enterprises, the port is not left behind in finding out the most efficient way to carry out its task through the use and coordination of resources.

We can define port management as a process in which all port resources superstructure and infrastructure are well managed in order to arrive at set objective. He also adds that it is aimed at improving quality of services lowering costs and eliminating waste.

Whether or not the model operated in any port is tool port or landlord port, the overall objective of any port is to be efficient and to render quality service to port users.

Large ports need to deal with a number of diverse activities: the movement of ships, containers and other cargo, the loading and unloading of ships and containers, customs activities. Human resources, anchorages, channels, lighters, tugs, berths, warehouse and other storage spaces have to be allocated and released.

The efficient management of a port involves managing these activities and resources, managing the flows of money involved between the agents, providing and using these resources, and providing management information.

Poor structure in organization, lack or inadequate laws and regulations, or error in the information systems and data, omission in planning, absence of cost control, poor service objectives and poor maintenance of equipment are some of the deficiencies that have been identified in ports in developing countries.

Port managers like in any other organizations are tasked with the functions of planning, forecasting, organizing, controlling, coordinating, staffing, communicating, and motivating. Unlike some other organizational units, factors external to the ports, like national policy, government interference, corruption and technology and traffic flow play a major role in port existence.

Management has to find a way to create a balance.

Management should be able to have a clear understanding of the environment in which the port does its business. A basic management tool that can be very useful in this regard is strategic management tool. This tool helps management to make rational decisions that come with the exigencies or uncertainty of the normal planning cycle inadequacies in today's business environment. It involves creation, or retention, of a strategy involving the internal and external analysis by the organization

Planning in sea ports are of varied time frame. A large part of the planning schedule is of long term nature.

Part of such plans include investments facilities and manpower requirement, this could cover five to ten years schedule, devising policies, and decisions on purchase of equipments or facility improvement are of medium term nature and covers about five years schedule.

Planning involving port performance, operations etc could be of more short term involving from a year to a few days.

As a result of the spontaneous changes in the maritime sector / industry, giving rise to the emergence of new types of ships, development of freight carriers, handling technology and new cargo types tended to have stimulated improvement in the cargo handling and production systems in ports.

This development has resulted in specialized functions in the ports where in some cases terminals are located out of the port area so as to achieve homogeneity and specialization in operations.

Strategy is the way a port matches its capability with the opportunities in the market place to achieve set objectives.

Port strategy involves the optimum utilization of port resources to achieve set objectives. Part of an organization's strategy is operation and is imbedded in operations management. Slack et al defines operation management as the way an organization produces goods and service.

The essence of strategic planning is to determine how to design and implement ports strategies which could be formal management planning (or informal, in which case the environment is too turbulent for any long term planning or when the port lacks the authority to conduct planning).

This is done against the backdrop of the ports

Strengths, weakness, opportunity and threat (SWOT) analysis and involves how a firm uses its strength to utilize its opportunity and address its weakness to defend rising threats.

The steps below have been identified when undertaking a formal strategic planning;

- Define, the mission, vision, stakeholders, customers, goals and objectives, shared value
- Analyze the SWOT of the organization
- Identify the current strategies
- Evaluate the current strategy with respect to the SWOT, analysis identifying critical issues
- Select the best strategy alternatives
- Implement the strategy and monitor performance.

References

1. Bardi, E.J, et al (2006) *Management of Transportation*, South western, USA
2. Coughlan, et al (2006) *Marketing Channels 7th Edition*. Pearson prentice Hall. New York
3. Golafshani, N. (2003). "Understanding Reliability and Validity in Qualitative Research". *The Qualitative Report* Volume 8. University of Toronto, Canada.
4. Hausman, W.H, (2005) *Creating Global Value through Efficient Trade Logistics*.
5. Laudon, K. L. Laudon, J. P (2003) *Essentials of management information system*. 5th Edition, Pearson education Ltd. New Jersey